



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
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June 12, 1986

CERTIFIED RETURN RECEIPT REQUESTED
(P 402 459 376)

Mr. A. J. Cornell
President
Castle Valley Mining Company
P. O. Box 1240
Castle Dale, Utah 84513

Dear Mr. Cornell:

RE: Revised MR-1 Application, Mining and Reclamation Plan,
White Cap #8 Mine, PRO/015/033, Emery County, Utah

The Division has received your letter dated June 3, 1986 which enclosed the requested map of the proposed mine site area. You expressed some confusion as to the content of our May 21, 1986 letter and to the number of forms which were enclosed with it. It was not our intent to confuse you. The forms which were enclosed were meant to help you complete the permitting requirements.

The revised application form (MR-1 form) which was sent to you May 9th, was intended to reflect our (mutual) understanding of the changes which have been discussed and agreed to as a result of our meetings to date. Your original (December 27, 1986) application did not adequately detail or describe the changes which have been made since that date. Consequently, we prepared a revised application for you based upon the information we acquired from the BLM and from verbal discussions held with you at our office meetings.

In our May 9, 1986 letter you were advised to please contact the State Division of Environmental Health to obtain information on that agency's air quality permitting requirements. On June 9, 1986, Mr. Carl Broadhead from the State Division of Environmental Health, Bureau of Air Quality contacted our office requesting information on the status of your proposed mining operation.

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Mr. Broadhead stated that to his knowledge, Castle Valley Mining Company had not been in contact with his office to request information on their permitting requirements. He indicated that he would direct a letter to you requesting information concerning the possible need for a state air quality permit in the near future. He asked this Division to please contact his office prior to issuance of our approval to be assured that all of the State Health Department permits had been obtained.

Enclosed with our May 21, 1986 letter was a copy of a reclamation surety estimate which we agreed to calculate for you. Our assumptions and calculations were based upon the extent of information provided in your MR-1 application. You indicate in your latest letter that you do not need to provide a surety with the State. A reclamation surety is required by state law for your mining operation.

At our last meeting you were informed that this Division would compare the BLM's reclamation estimate (\$25,000) with our calculations for reclaiming the proposed mine site. We indicated that there was a possibility that our bond estimate might differ from the BLM, and that the \$25,000 amount might need some adjustment. You were also told that the Division would not require a separate bond from the BLM, but that one (1) bond would most likely be adequate.

The Division has a memorandum of understanding (MOU) with the BLM which allows both agencies to hold one (1) bond jointly. For informational purposes, we included a copy of that MOU in our May 21st letter to you. Basically, the MOU allows one agency (the BLM or the Division of Oil, Gas and Mining) to hold a reclamation surety. The MOU states that the agency holding the surety will not release the surety until both agencies agree that the reclamation requirements have been satisfied.

The additional forms which were enclosed with our May 21st letter, were to provide you with the necessary information to file a reclamation surety with this Division. This was in the event that you chose not to bond with the BLM, but decided to post a reclamation surety with our agency instead.

The Division has re-evaluated our May 21st reclamation surety calculations and has determined that the BLM's \$25,000 bond estimate will be adequate. This is based upon the


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assumption that two (2) acres are disturbed per year and that contemporaneous reclamation is performed each fall as outlined in the operator's revised mining and reclamation plan. Our original estimate was based upon having to reclaim a ten (10) acre disturbance all at one time. The Division requires a carbon copy of the bond which is submitted to the BLM for our files.

In addition, the Division still requests receipt of the revised MR-1 form which was sent to you for your signature and notarization on May 9th. We will proceed with our preparation of the 30-day public notice advertizement which indicates our intent to approve of the project. However, we cannot proceed with formal publication or with final approval and issuance of a permit to commence mining until the information as requested above is received by this office.

Please contact me or D. Wayne Hedberg should you have any questions or concerns regarding these requirements. Thank you for your cooperation in completing this permitting activity.

Sincerely,


L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

LPB:dwh
cc: Bob Randolph
Neil Simmons
Brent Bradford
Ken May
Wayne Hedberg
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